

113TH CONGRESS
1ST SESSION

H. R. 1908

To repeal certain provisions of the Patient Protection and Affordable Care Act relating to the premium tax credits and cost-sharing subsidies.

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2013

Mr. SALMON (for himself, Mr. LAMALFA, Mr. HUELSKAMP, Mr. JONES, Mr. FRANKS of Arizona, Mr. RADEL, Mr. SCHWEIKERT, Mr. MEADOWS, Mr. YOHIO, Mr. GOSAR, and Mr. DUNCAN of South Carolina) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To repeal certain provisions of the Patient Protection and Affordable Care Act relating to the premium tax credits and cost-sharing subsidies.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Repeal of Ex-
5 pensive Exchanges Act” or the “FREE Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) The Patient Protection and Affordable Care
2 Act makes health care more expensive and less ac-
3 cessible, while also driving up the Federal deficit and
4 debt.

5 (2) This increase in cost is most noticeable in
6 the health insurance exchanges established under
7 such Act, which would increase the Federal deficit
8 by \$1.017 trillion over an eleven-year timeframe, as
9 stated in a July, 2012 Congressional Budget Office
10 report.

11 (3) The Federal mandate to establish health in-
12 surance exchanges directly assaults the States' tradi-
13 tional authority to regulate health insurance.

14 (4) Such Federal mandate imposes unknown in-
15 surance costs on consumers and administrative costs
16 on States.

17 (5) Such Federal mandate imposes a “one-size-
18 fits-all” approach that ignores State differences.

19 (6) Such Federal mandate undermines choice
20 and competition and guarantees further consolida-
21 tion of the health insurance markets.

1 **SEC. 3. REPEAL OF THE PATIENT PROTECTION AND AF-**
 2 **FORDABLE CARE ACT PREMIUM TAX CRED-**
 3 **ITS AND COST-SHARING SUBSIDIES.**

4 (a) PREMIUM TAX CREDITS.—The Internal Revenue
 5 Code of 1986 is amended by striking section 36B.

6 (b) ADVANCE DETERMINATION AND PAYMENT OF
 7 PREMIUM TAX CREDITS AND COST-SHARING REDUC-
 8 TIONS.—The Patient Protection and Affordable Care Act
 9 is amended by striking section 1412.

10 (c) COST-SHARING.—The Patient Protection and Af-
 11 fordable Care Act is amended by striking section 1402.

12 (d) CONFORMING AMENDMENTS.—

13 (1) INTERNAL REVENUE CODE OF 1986.—

14 (A) Section 280C of the Internal Revenue
 15 Code of 1986 is amended by striking subsection
 16 (g).

17 (B) Clause (iii) of section 6055(b)(1)(B) of
 18 such Code is amended to read as follows:

19 “(iii) in the case of minimum essential
 20 coverage which consists of health insurance
 21 coverage, information concerning whether
 22 or not the coverage is a qualified health
 23 plan offered through an Exchange estab-
 24 lished under section 1311 of the Patient
 25 Protection and Affordable Care Act, and”;
 26 and

1 (C) Section 6103(l)(21) of such Code is
2 amended—

3 (i) by striking “any premium tax
4 credit under section 36B or any cost-shar-
5 ing reduction under section 1402 of the
6 Patient Protection and Affordable Care
7 Act or” in the matter preceding subpara-
8 graph (i),

9 (ii) by striking “(as defined in section
10 36B)” in subparagraph (A)(iv), and

11 (iii) by adding at the end the fol-
12 lowing:

13 “(D) MODIFIED ADJUSTED GROSS IN-
14 COME.—For purposes of this paragraph, the
15 term ‘modified adjusted gross income’ means
16 adjusted gross income increased by—

17 “(i) any amount excluded from gross
18 income under section 911,

19 “(ii) any amount of interest received
20 or accrued by the taxpayer during the tax-
21 able year which is exempt from tax, and

22 “(iii) an amount equal to the portion
23 of the taxpayer’s social security benefits
24 (as defined in section 86(d)) which is not

1 included in gross income under section 86
2 for the taxable year.”.

3 (D) Section 6211(b)(4)(A) of such Code is
4 amended by striking “36B,”.

5 (E) The table of sections for subpart C of
6 part IV of subchapter A of chapter 1 of such
7 Code is amended by striking the item relating
8 to section 36B.

9 (2) FAIR LABOR STANDARDS ACT OF 1938.—

10 (A) Section 18B(a) of the Fair Labor
11 Standards Act of 1938 (29 U.S.C. 218b(a)) is
12 amended—

13 (i) by inserting “and” at the end of
14 paragraph (1), and

15 (ii) by striking paragraph (2) and re-
16 designating paragraph (3) as paragraph
17 (2).

18 (B) Section 18C(a) of the Fair Labor
19 Standards Act of 1938 (29 U.S.C. 218c(a)) is
20 amended by striking paragraph (1) and by re-
21 designating paragraphs (2) through (5) as
22 paragraphs (1) through (4), respectively.

23 (3) PUBLIC HEALTH SERVICE ACT.—Title
24 XXVII of the Public Health Service Act (42 U.S.C.
25 300gg et seq.) is amended—

1 (A) in section 2705(l)(3)(A) (42 U.S.C.
2 300gg-4(l)(3)(A))—

3 (i) by striking the em dash before
4 clause (i) and inserting “will not result in
5 any decrease in coverage.”; and

6 (ii) by striking clauses (i) and (ii);
7 and

8 (B) in section 2793(c) (300gg-93(c))—

9 (i) by inserting “and” at the end of
10 paragraph (3);

11 (ii) by striking “; and” at the end of
12 paragraph (4); and

13 (iii) by striking paragraph (5).

14 (4) PATIENT PROTECTION AND AFFORDABLE
15 CARE ACT.—The Patient Protection and Affordable
16 Care Act (Public Law 111–148, as amended) is
17 amended—

18 (A) in section 1303(b) by striking para-
19 graph (2);

20 (B) in section 1311(c)(5)(B) (42 U.S.C.
21 18031(c)(5)(B)), by striking “or eligible for a
22 premium tax credit or cost-sharing reduction”;

23 (C) in section 1311(d)(4) (42 U.S.C.
24 18031(d)(4))—

1 (i) in subparagraph (G), by striking
 2 “after the application of any premium tax
 3 credit” and all that follows through “sec-
 4 tion 1402”; and

5 (ii) in subparagraph (I), by striking
 6 clause (ii);

7 (D) in section 1311(i)(3)(B) (42 U.S.C.
 8 18031(i)(3)(B)), by striking “, and the avail-
 9 ability of premium tax credits” and all that fol-
 10 lows through “section 1402”;

11 (E) in section 1312(e) (42 U.S.C.
 12 18032(e))—

13 (i) in paragraph (1), by striking “;
 14 and” and inserting a period;

15 (ii) by striking paragraph (2); and

16 (iii) by striking “brokers—” and all
 17 that follows through “to enroll” and insert-
 18 ing “brokers to enroll”;

19 (F) in section 1313(a)(6)(A) (42 U.S.C.
 20 18033(a)(6)(A)), by striking “, including pay-
 21 ments of premium tax credits and cost-sharing
 22 reductions through the Exchange”;

23 (G) in section 1331(d)(3)(A)(i) (42 U.S.C.
 24 18051) is amended by inserting “and the Fed-

eral Repeal of Expensive Exchanges Act had
not been enacted” before the period at the end;

(H) in section 1332(a) (42 U.S.C.
18052(a))—

(i) in paragraph (2)—

(I) by striking subparagraph (C);

and

(II) in subparagraph (D) by
striking “36B, 4980H,” and inserting
“4980H”; and

(ii) in paragraph (3), by striking
“premium tax credits, cost-sharing reduc-
tions”;

(I) in section 1334(c) (42 U.S.C.
18054(c)) by striking paragraph (3);

(J) in section 1401(c)(1)(A), by striking
clause (i);

(K) in section 1411 (42 U.S.C. 18081)—

(i) in subsection (a)(1)—

(I) by striking “or who is claim-
ing a premium tax credit or reduced
cost-sharing,”; and

(II) by striking “sections
1312(f)(3), 1402(e), and 1412(d)”
and inserting “section 1312(f)(3)”;

1 (ii) in subsection (a), by striking para-
2 graph (2);

3 (iii) in subsection (b), by striking
4 paragraphs (3) and (4);

5 (iv) in subsection (e)—

6 (I) in paragraph (2), by amend-
7 ing subparagraph (A) to read as fol-
8 lows:

9 “(A) ELIGIBILITY FOR ENROLLMENT.—If
10 information provided by an applicant under
11 paragraphs (1) and (2) of subsection (b) is
12 verified under subsections (c) and (d) the indi-
13 vidual’s eligibility to enroll through the Ex-
14 change shall be satisfied.”; and

15 (II) in paragraph (4)(B), by
16 striking clauses (ii) and (iii) and re-
17 designating clause (iv) as clause (ii);

18 (v) by striking subsection (f)(2);

19 (vi) in subsection (g)(1)—

20 (I) by striking “or for a premium
21 tax credit or cost-sharing reduction”,
22 and

23 (II) by striking “, determine eli-
24 gibility, and determine the amount of

1 the credit or reduction” and inserting
2 “and determine eligibility”; and
3 (vii) in subsection (g)(2) by striking
4 “or to claim a premium tax credit or cost-
5 sharing reduction or the amount of the
6 credit or reduction”;

7 (L) in section 1413(e)(1) (42 U.S.C.
8 18083(e)(1)), by striking “, including the pre-
9 mium tax credits under section 36B of the In-
10 ternal Revenue Code of 1986 and cost-sharing
11 reductions under section 1402”;

12 (M) by striking section 1415 (42 U.S.C.
13 18084); and

14 (N) in section 2901 (25 U.S.C. 1623), by
15 striking subsection (a).

16 (5) SOCIAL SECURITY ACT.—Section 1943(b) of
17 the Social Security Act (42 U.S.C. 1396w–3(b)) is
18 amended—

19 (A) in paragraph (1)(C)—

20 (i) by striking “and, if applicable, pre-
21 mium assistance” and all that follows
22 through “section 1412 of the Patient Pro-
23 tection and Affordable Care Act),”; and

24 (ii) by striking “reduced cost-sharing
25 for eligible individuals under section 1402

1 of the Patient Protection and Affordable
 2 Care Act, and any other” and inserting
 3 “any”;

4 (B) in paragraph (1)(D), by striking “,
 5 child health assistance, or premium assistance,”
 6 and inserting “or child health assistance,”;

7 (C) by striking paragraph (2); and

8 (D) in paragraph (4), by striking “and
 9 who is eligible to receive premium credit assist-
 10 ance for the purchase of a qualified health plan
 11 under section 36B of the Internal Revenue
 12 Code of 1986”.

13 **SEC. 4. REPEAL OF EMPLOYER AND INDIVIDUAL MAN-**
 14 **DATES.**

15 (a) EMPLOYER MANDATE.—

16 (1) IN GENERAL.—Chapter 43 of the Internal
 17 Revenue Code of 1986 is amended by striking sec-
 18 tion 4980H, and the table of sections for such chap-
 19 ter is amended by striking the item relating to sec-
 20 tion 4980H.

21 (2) INFORMATION RETURN.—

22 (A) Chapter 61 of such Code is amended
 23 by striking section 6056, and the table of sec-
 24 tions for such chapter is amended by striking
 25 the item relating to section 6056.

1 (B) Section 6724(d) of such Code is
2 amended—

3 (i) in paragraph (1)(B) by inserting
4 “or” at the end of clause (xxiii), by strik-
5 ing “or” at the end of clause (xxiv) and in-
6 serting “and”, and by striking clause
7 (xxv), and

8 (ii) in paragraph (2) by inserting “or”
9 at the end of subparagraph (FF), by strik-
10 ing “or” at the end of subparagraph (GG)
11 and inserting “and”, and by striking sub-
12 paragraph (HH).

13 (3) PATIENT PROTECTION AND AFFORDABLE
14 CARE ACT CONFORMING AMENDMENTS.—

15 (A) Section 1332(a)(2)(D) of the Patient
16 Protection and Affordable Care Act (as amend-
17 ed by section 3(d)(4)(H) of this Act) is amend-
18 ed by striking “Sections 4980H” and inserting
19 “Section”.

20 (B) Section 1513 of the Patient Protection
21 and Affordable Care Act is amended by striking
22 subsection (c).

23 (b) REPEAL OF INDIVIDUAL HEALTH INSURANCE
24 MANDATE.—

1 (1) IN GENERAL.—Section 5000A of the Inter-
2 nal Revenue Code of 1986 is amended by adding at
3 the end the following new subsection:

4 “(h) TERMINATION.—This section shall not apply
5 with respect to any month beginning after December 31,
6 2013.”.

7 (2) CONFORMING AMENDMENT.—Section
8 1311(d)(4) of the Patient Protection and Affordable
9 Care Act (42 U.S.C. 18031(d)(4)) is amended by
10 striking subparagraph (H).

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply as if included in the respective sec-
13 tions the Patient Protection and Affordable Care Act to
14 which such amendments relate.

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